

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Adona Post Office
Adona, Arkansas 72001

Docket No. A2012-16

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(December 9, 2011)

On October 12, 2011, the Postal Regulatory Commission (Commission) received correspondence from postal customer Bill D. Greene, Mayor of the City of Adona, AR, objecting to the discontinuance of the Post Office at Adona, Arkansas. On October 20, 2011, the Commission issued Order No. 917, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 917, the administrative record was filed with the Commission on November 1, 2011.

The appeal received by the Commission raise four issues: (1) the impact upon the provision of postal services, (2) the impact on the Adona community expected to result from discontinuing the Adona Post Office, (3) economic savings, and (4) the impact upon postal employees. As reflected in the administrative record of this proceeding, and consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Adona Post Office should be affirmed.

¹ See 39 U.S.C. 404(d)(2)(A).

Background

The Final Determination To Close the Adona, AR Post Office and Continue to Provide Service by Rural Route Service (FD), as well as the administrative record, indicate that the Adona Post Office provides EAS-11 level service to 99 Post Office Box customers, 143 delivery customers, and retail customers 44 hours per week.² FD, at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1; Item No. 33, Proposal Exhibit, at 2.³ The Postmaster of the Adona Post Office retired on July 31, 2010. Since the postmaster vacancy arose, an Officer-in-Charge (OIC) has been installed to operate the office. The noncareer postmaster relief may be separated from the Postal Service; however, no other employee will be adversely affected.⁴ The average number of daily retail window transactions at the Adona Post Office is 10. Revenue has generally been low: \$12,770.00 in FY 2008 (33 revenue units); \$12,532.00 in FY 2009 (33 revenue units); and \$13,519.00 (35 revenue units) in FY 2010.⁵ The Adona Post Office has no permit or postage meter customers. FD, at 2; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Perry Post Office,⁶ an EAS-13 level office located six miles away, which has 258 available Post Office Boxes. FD, at

² The Adona, AR Post Office Discontinuance action was conducted under regulations in the prior version of Handbook PO-101.

³ In these comments, specific items in the administrative record are referred to as “Item ____.”

⁴ FD, at 2, 5; Item No. 33, Proposal to Close the Adona, AR Post Office and Continue to Provide Service by Rural Route Service (“Proposal”), at 2, 5.

⁵ FD, at 2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 2.

⁶ The Perry Post Office, is not part of the candidate facilities on the RAOI. See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, available at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>

2; Item No. 18, Post Office Closing or Consolidation Proposal, at 1; Item No. 33, Proposal, at 2. This service will continue upon implementation of the FD. FD, at 2.

The Postal Service followed the proper procedures⁷ which led to the posting of the FD. All issues raised by the customers of the Adona Post Office were considered and properly addressed by the Postal Service.⁸ The Postal Service gave customers advance notice of its intentions and its determination.⁹ In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Adona Post Office. Questionnaires were also available over the counter for retail customers at Adona. FD, at 2; Item No. 23, Postal Service Customer Questionnaire Analysis at 1. A letter from the Manager of Consumer Affairs & Claims, Little Rock, AR, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether

⁷ Petitioner asserts that the community meeting did not meet the format of a public hearing. He states that in order to meet the format of a public hearing, the meeting should have complied with the following requirements:

1. Written request by USPS submitted to Mayors office. Agreed date and time set.
2. Media advertisement and public posting. Invitation to public.
3. Media invitation by USPS with press release stating full intended purpose of the meeting

The Petitioner outlines requirements that are not contained in any controlling regulations, statutes, or any other requirements affecting the Postal Service. The Petitioner claims that USPS should have met with the Adona Mayor to address other options; again, however, no controlling requirements necessitate any such meeting. Therefore, no procedural error arose. Moreover, we note that the media release attached to the Petitioner's letter of appeal incorrectly states that the Postal Service did not follow its own protocols with regard to the community meeting that was held. The record demonstrates, and the field coordinator has confirmed, however, that the Postal Service has followed the proper procedures under Handbook PO-101 with regard to the Adona, AR Post Office Discontinuance. Moreover, as indicated in fn. 8 below, the Petitioner was present at the community and had full opportunity to express his views as Mayor and representative of the community.

⁸ Petitioner Mayor Bill D. Greene, was present at the community meeting held on Tuesday, May 24, 2011 at 5:30 pm. There were a total of 32 attendees at the community meeting. Item No. 24, Community meeting roster at 1-3.

⁹ The Petitioner states that the Adona community would like to have access to "an itinerary, with dates and times, that outlines the process for which all closings will be handled." In an effort to make the process as transparent as possible, the Postal Service has given notice of its intentions through postings and correspondence. Furthermore, the administrative record was available to the public for public inspection during normal business hours at the Adona Post Office. Thus, Petitioner had access to all pertinent information

the continued operation of the Adona Post Office was warranted, and whether effective and regular service could be provided through rural route delivery and retail services available at a nearby Post Office. Item No. 21, Letter to Customer, at 1. The letter then invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. *Id.* The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available from 5:30 pm to 6:30 pm at Adona City Hall for a community meeting on May 24, 2011 to answer questions and provide information to customers. FD, at 2; Item No. 21a, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 33, Proposal, at 2. Customers received formal notice of the Proposal through postings at the Adona Post Office, and through postings of the FD at the Adona and Perry Post Offices. The Proposal was posted with an invitation for public comment at the Adona Post Office from June 7, 2011 to August 8, 2011, as confirmed by the round-dared Proposal cover sheet that appears in the administrative record. FD, at 2; Item No. 33, Invitation for Comments on the Proposal to Close the Adona, AR Post Office and Continue to Provide Service by Rural Route, at 1. The FD was posted at both the Adona and Perry Post Offices from September 12, 2011 to October 14, 2011.

In light of a postmaster vacancy; minimal workload; low office revenue;¹⁰ the variety of delivery and retail options (including the convenience of rural delivery and retail service);¹¹ limited expected population, residential, commercial or business growth

¹⁰ See note 4 and accompanying text.

¹¹ FD, at 2, 3, 6; Item No, 33, Proposal, at 2, 3, 4, 5.

in the area;¹² minimal impact upon the community; and the expected financial savings,¹³ the Postal Service issued the FD.¹⁴ Regular and effective postal services will continue to be provided to the Adona community in an effective manner upon implementation of the final determination. FD at 2, 6.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Adona Post Office on postal services provided to Adona customers. The closing is premised upon providing regular and effective postal services to Adona customers.

The Petitioner raises the issue of the effect on postal services of the Adona Post Office's closing, noting the convenience of the Adona Post Office and requesting its retention. The Petitioner expresses particular concern about potential hardship on the elderly and disabled citizens of the community as well as potential mail security issues if mail is delivered to rural lock boxes. Furthermore, the Petitioner fears that rural carriers will be unable to provide effective services because they will not know the services required of them on a day-to-day basis. Each of these concerns was considered by the Postal Service.

The Postal Service has considered the impact of closing the Adona Post Office upon the provision of postal services to Adona customers. FD at 2-6; Item No. 33, Proposal, at 2-5. As explained throughout the administrative record, carriers can

¹² FD, at 2, 3, 4, 6; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 2, 4, 5.

¹³ FD, at 6; Item No. 17, Highway Contract Route Cost Analysis Form; Item No. 33, Proposal, at 5.

¹⁴ FD, at 6.

perform many functions that will alleviate the need to travel to the Post Office for many services. Rural route delivery to customers provides similar access to many retail services, thereby stemming the need to travel to the Post Office. FD at 2, 3-5, 6, 9; Item No. 33, Proposal, at 2, 3-4, 5, 6, 8. In fact, most transactions do not require meeting the carrier at the mailbox. The rural carrier provides many of the services that are available at the Post Office. Furthermore, many of the services offered are available the same day and do not require advance notice for the transaction to be completed. Services available from the carrier include mailing certain packages, purchasing postal money orders, and obtaining a variety of special services, including sending accountable mail.¹⁵

Additionally, the record explains that carrier pickup is available. Carrier pickup allows for scheduling the retrieval of packages at the same time as the carrier delivers the mail. *Id.* Carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes, thereby eliminating the need to travel to a Post Office. The Petitioner asserts that the elderly and infirm will be greatly affected by the closure of the Adona Post Office; however, the rural carrier will be able to assist postal customers in a similar capacity to the current OIC. To the extent that postal customers have physical and financial limitations, the Postal Service will work with these customers to ensure

¹⁵ If the carrier attempts to deliver accountable mail and the addressee is unable to sign for the letter, the carrier will leave a Form 3849 informing the addressee that the carrier attempted to deliver an accountable letter, but was unable. The form indicates that the letter is available at the local post office or the addressee may attempt to request redelivery. The addressee is given the option to specify the date he or she would like the letter to be delivered, change the redelivery address to his or her workplace (if the work location is in the same town), or designate a friend, neighbor or family member to accept the letter and the carrier will deliver the letter to that individual (if the individual is in the same town). The original addressee may also receive the letter at the Perry Post Office on Saturday during business hours or the addressee's designee may receive the letter at the Perry Post Office, Monday through Saturday during business hours. The Postal Service makes available several options for customers that choose to utilize Rural Route service and receive accountable mail but are unable to be home during the week to sign for such mail.

that they receive regular and effective postal services. Special provisions are made for hardship cases and special customer needs. FD, at 3. To request an exception for hardship delivery, customers may contact the administrative postmaster for more information. *Id.*

Additionally, the Postal Service explained that it offers several convenient options which can save customers a trip to the Post Office. FD, at 3; Item No. 33, Proposal, at 3, 4. If internet access is unavailable, stamps can be purchased by phone via a toll-free number, or by mail. FD, at 3; Item No. 33, Proposal, at 3. Additionally, customers can place their mail on hold and obtain other special services by calling a toll free number or visiting the Postal Service's website. Furthermore, if internet access is available, customers can purchase stamps online through the Postal Service's website at www.USPS.com and print shipping labels with postage for Express Mail and Priority Mail.

Petitioner's concern about the security of mail was also addressed in the record. Local officials solicited information regarding this matter, and the agency found only three reports of mail theft or vandalism in the area. Item No. 14, Inspection Service/local law enforcement vandalism reports, at 1. Additionally, the Postal Service explained that customers may place a lock on their mailboxes as long as the mailbox has a slot large enough to accommodate the customer's normal daily mail volume. FD at 2, 3. Furthermore, customers opting for carrier service will have 24-hour access to their mail and will not have to pay post office box fees. FD, at 3. Customers are also welcome to conduct postal business at the Perry Post Office or any other convenient Post Office location should they decide this option better suit their needs.

Upon the implementation of the final determination, delivery and retail services will be provided by rural route delivery emanating from the Perry Post Office, which is located six miles away. FD at 2, 6. In addition to rural delivery, which is the recommended alternate service, customers may also receive postal services at the Perry Post Office. The window service hours of the Perry Post Office are from 8:00 a.m. to 4:00 p.m. Monday through Friday, and 8:00 a.m. to 11:00 a.m. on Saturday. FD, at 2. Furthermore, special attention and assistance provided by the personnel at the Adona Post Office will be provided by personnel at the Perry Post Office, the Casa Post Office, and the carrier. Thus, the Postal Service has properly concluded that all Adona customers will continue to receive regular and effective service via rural route delivery.

Effect Upon the Adona Community

The Postal Service is obligated to consider the effect of its decision to close the Adona Post Office upon the Adona community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Adona is an incorporated rural community located in Perry County. The Perry County Sheriff's Office provides police protection. The community is administered politically by Adona City Council, with fire protection provided by the Adona Volunteer Fire Department. FD, at 4; Item No. 33, Proposal at 4. The questionnaires completed by Adona customers indicate that the retirees, commuters, and others who reside in Adona travel to nearby communities for other supplies and services. See generally FD,

at 4; Item No. 22, Returned Customer Questionnaires and Postal Service Response Letters.

The Petitioner raises the issue of the effect of the closing of the Adona Post Office upon the Adona community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. FD, at 2, 3, 4, 6; Item No. 33, Proposal, at 2, 3, 4, 5. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of the community name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory; there will be no change in customer addresses.¹⁶ FD, at 4; Item No. 33, Proposal, at 4. Communities generally require regular and effective postal services and these will continue to be provided to the Adona community. Furthermore, carrier service is expected to be able to handle any future growth in the community. FD, at 2, 6; Item No. 33, Proposal, at 2, 5. Residents may continue to meet informally, socialize, and share information at the other establishments in town. FD, at 4.

In addition, the Postal Service has concluded that nonpostal services provided by the Adona Post Office can be provided by the Perry Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD, at 4; Item No. 33, Proposal, at 4. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Adona Post Office on the community served by the Adona Post Office.

¹⁶ However, customers electing for rural route delivery will be required to change their mailing address.

Economic Savings

Postal officials properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Adona Post Office and would still provide regular and effective service. Item No. 21a, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Adona Post Office are \$45,479.00. FD, at 5; Item No. 33, Proposal, at 5.

The Petitioner claims that as a midway point between Perry, AR and Casa, AR, the Adona Post Office could provide a rural route service that is “more cost effective” than its counterparts in Perry and Casa. The Postal Service appreciates the Petitioner’s suggestions, but it has determined to close the Adona Post Office after taking into consideration several factors, including Adona’s location and that of nearby Post Offices.

The Petitioner questions the consistency of this proposal with statutory authority in Title 39. Here, however, a variety of factors inform the decision to discontinue the Adona Post Office, including a postmaster vacancy, minimal workload, low office revenue,¹⁷ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁸ limited expected population, residential, commercial or business growth in the area,¹⁹ minimal impact upon the community, and the expected financial savings.²⁰ Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), in determining whether to

¹⁷ See note 4 and accompanying text.

¹⁸ FD, at 2, 3, 6; Item No. 33, Proposal, at 2, 3, 4, 5.

¹⁹ FD, at 2, 3, 4, 6; Item No. 16, Community Survey Sheet; Item No. 33, Proposal, at 2, 4, 5.

²⁰ FD, at 6; Item No. 17, Highway Contract Route Cost Analysis Form; Item No. 33, Proposal, at 5.

close a post office, the Postal Service must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” In this case, the Postal Service analyzed, among other factors, the Adona Post Office’s workload and revenue. The consideration of an office’s workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Petitioner notes that the Postal Service has already saved money by operating the Adona Post Office with an OIC rather than a Postmaster. The Petitioner claims that the wages of the postmaster should not be factored into the economic savings in closing the Adona Post Office. However, the economic savings calculation conducted as a part of a discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits in the past does not mean that it could count on those savings annually in the future. If the Adona Post Office closes, one career slot will be eliminated and the expenses relating to the postmaster salary and fringe benefits would be saved annually on an ongoing, permanent basis. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster. Therefore, the economic savings calculation is accurate in taking into account the postmaster’s salary and benefits.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 5; Item No. 33, Proposal, at 5. The Postal Service determined that carrier service is more effective than maintaining the Adona postal facility and postmaster position. FD, at 6. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster retired on July 31, 2010. Upon implementation of the final determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service; however the record shows that no other employee would be affected by this closing. FD, at 2, 4; Item No. 15, Post Office Survey Sheet, at 1; Item No. 33, Proposal, at 2, 5. The Petitioner states that the "loss of a job should be of utmost importance to the USPS." The Postal Service understands and is sympathetic to this concern, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the FD.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Adona Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Adona Post Office on the provision of postal services and on the Adona community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration and evaluating other options, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Adona customers. FD, at 6. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Adona Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Adona Post Office be affirmed.

Respectfully submitted,

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